

# North Carolina Turnpike Authority

NCTA Finance Committee Meeting

January 20, 2021



# Opening Comments

**J.J. Eden**  
Executive Director

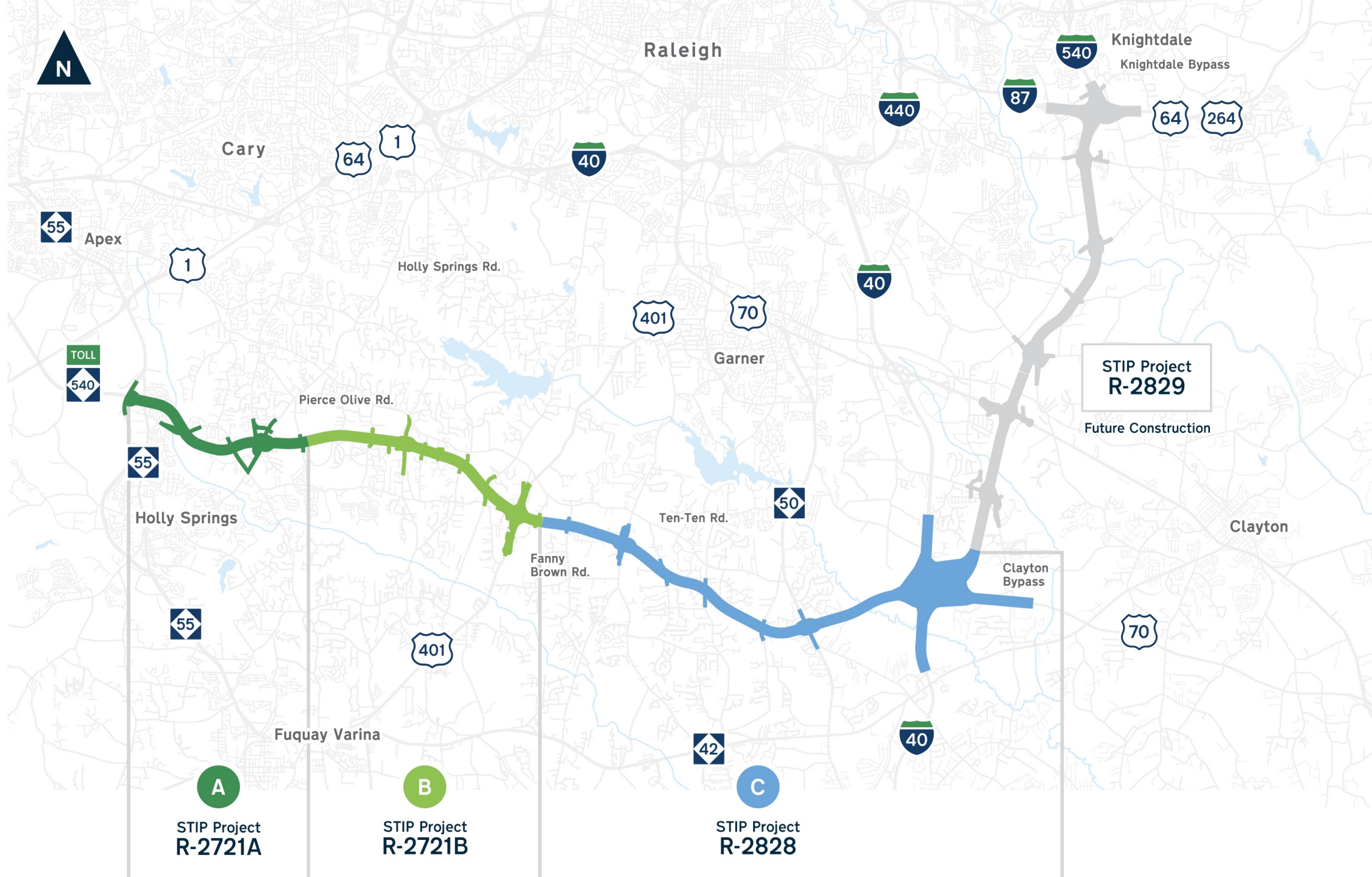
# November Statistics

- Triangle Expressway
  - Transactions – 3.96 million
  - Revenue - \$2.95 million
- Monroe Expressway
  - Transactions – 2.91 million
  - Revenue - \$1.63 million
- Transponders
  - Over 11,400 distributed
  - Over 915,000 distributed program-to-date as of November 30, 2020

# Complete 540 Construction Update

**Dennis Jernigan, P.E.**  
Director of Highway Operations





## R-2721A

BRANCH CIVIL | FLATIRON | Gannett Fleming

A

93%

Plans for Construction

\$183.5M

Cost of Contract

214 Design Submittals

98%

Parcels with Access

## R-2721B

BRANCH CIVIL | FLATIRON | HDR

B

96%

Plans for Construction

\$160.0M

Cost of Contract

207 Design Submittals

99%

Parcels with Access

## R-2828

LANE | BLYTHE | WSP

C

99%

Plans for Construction

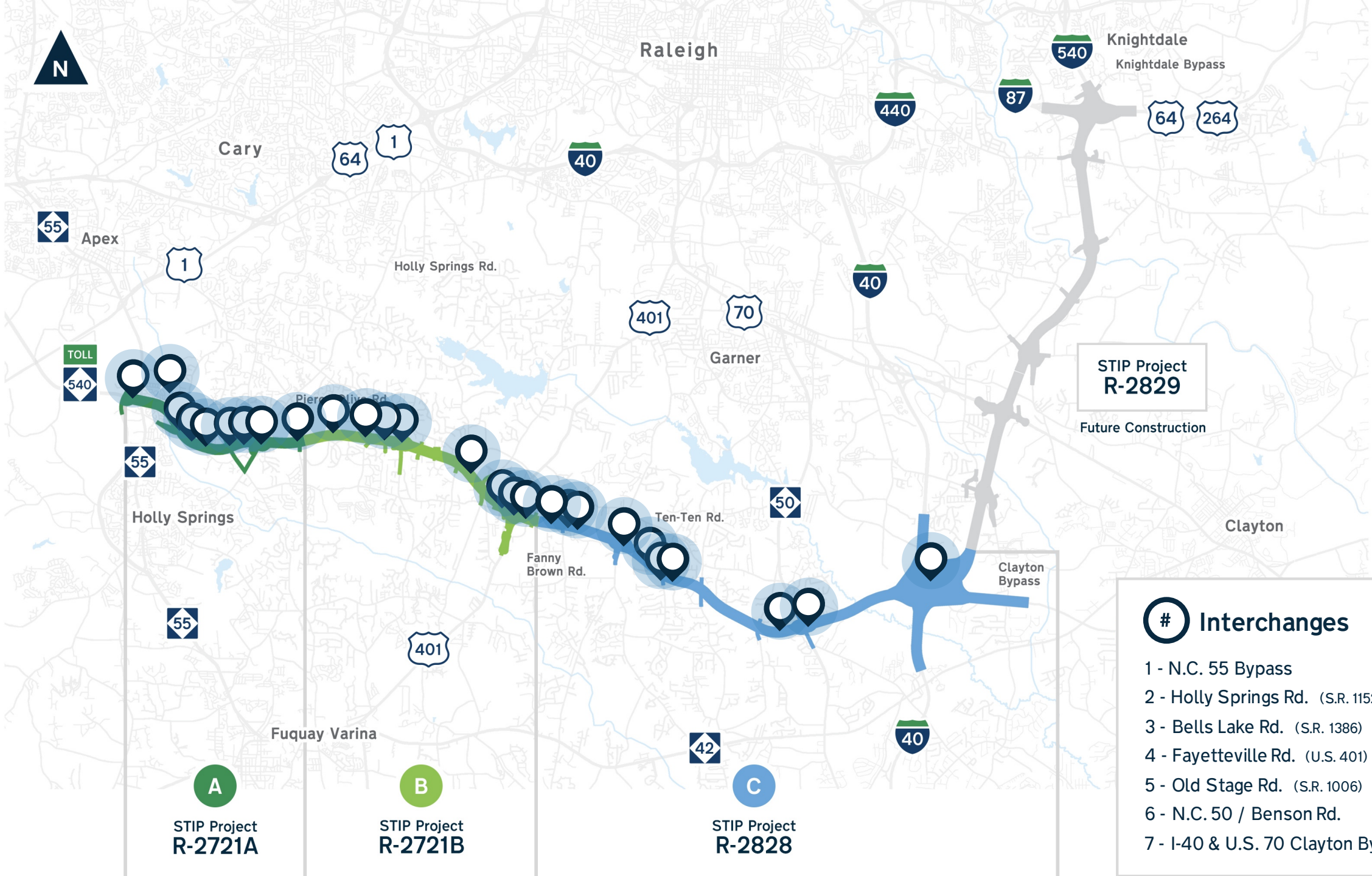
\$403.2M

Cost of Contract

465 Design Submittals

96%

Parcels with Access



STIP Project  
R-2829  
Future Construction

# Interchanges

1 - N.C. 55 Bypass

2 - Holly Springs Rd. (S.R. 1152)

3 - Bells Lake Rd. (S.R. 1386)

4 - Fayetteville Rd. (U.S. 401)

5 - Old Stage Rd. (S.R. 1006)

6 - N.C. 50 / Benson Rd.

7 - I-40 & U.S. 70 Clayton Bypass









Kildaire  
Farm Road

Holly Springs  
Road



Woodcreek







Bells Lake Road

















FIRST

DECK

POUR



# Community Outreach



## Complete 540 Outreach



**Virtual Meetings**

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**Resident Communications**

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# Complete 540 Spend Update

Travis Feltes, P.E.  
Project Engineer

# Plan of Finance Cost Tracking

	DESCRIPTION	Cost Estimate (\$M)	Spent as of December 31, 2020	% of Budget Spent
R-2721A	Construction	\$ 185.57	\$ 64.23	<div></div> 35%
	Toll Integration	\$ 3.96	\$ -	<div></div> 0%
	Landscaping	\$ 2.67	\$ -	<div></div> 0%
	Right of Way	\$ 91.19	\$ 73.63	<div></div> 81%
	Utilities	\$ 18.41	\$ 10.63	<div></div> 58%
	Agency Costs:	\$ 38.96	\$ 5.39	<div></div> 14%
	PROJECT SUB-TOTAL	\$ 340.76	\$ 153.88	<div></div> 45%
R-2721B	Construction	\$ 162.71	\$ 51.86	<div></div> 32%
	Toll Integration	\$ 6.98	\$ -	<div></div> 0%
	Landscaping	\$ 2.32	\$ -	<div></div> 0%
	Right of Way	\$ 90.56	\$ 77.25	<div></div> 85%
	Utilities	\$ 16.55	\$ 10.32	<div></div> 62%
	Agency Costs:	\$ 42.98	\$ 5.25	<div></div> 12%
	PROJECT SUB-TOTAL	\$ 322.10	\$ 144.68	<div></div> 45%
R-2828	Construction	\$ 385.87	\$ 104.26	<div></div> 27%
	Toll Integration	\$ 10.30	\$ -	<div></div> 0%
	Landscaping	\$ 5.84	\$ -	<div></div> 0%
	Right of Way	\$ 77.62	\$ 38.33	<div></div> 49%
	Utilities	\$ 48.35	\$ 6.39	<div></div> 13%
	Agency Costs:	\$ 104.61	\$ 11.31	<div></div> 11%
	PROJECT SUB-TOTAL	\$ 632.59	\$ 160.29	<div></div> 25%
TOTAL	Construction	\$ 734.15	\$ 220.35	<div></div> 30%
	Toll Integration	\$ 21.24	\$ -	<div></div> 0%
	Landscaping	\$ 10.83	\$ -	<div></div> 0%
	Right of Way	\$ 259.37	\$ 189.21	<div></div> 73%
	Utilities	\$ 83.31	\$ 27.34	<div></div> 33%
	Agency Costs:	\$ 186.55	\$ 21.95	<div></div> 12%
	PROJECT COST FOR FINANCING	\$ 1,295.45	\$ 458.85	<div></div> 35%

# Right of Way Cost Update

Project	ROW Budget Amount (\$M)	ROW Spent to Date (\$M)	Percent Spent	ROW Remaining (\$M)	Percent Remaining
R-2721 A	\$91.19	\$73.63	81%	\$17.56	19%
R-2721 B	\$90.56	\$77.25	85%	\$13.31	15%
R-2828	\$77.62	\$38.33	49%	\$39.29	51%
Total	\$259.37	\$189.21	73%	\$70.16	27%

As of December 31, 2020



## Status of Map ACT Parcels

	R-2721 A	R-2721 B	R-2828	Total
Settled/Condemned Map ACT	27	53	34	114
Non-Settled Map ACT	0	4	7	11
Total	27	57	41	125

	Cost
Settled/Condemned Map ACT Total Cost	\$126,091,878
Remaining Condemned Map ACT Cost	\$38,844,225
Estimated Non-Settled Map ACT Cost	\$13,109,600
Total	\$178,045,703

# Contingencies

Contingency Item	Plan of Finance Budget
Third Party Delay Contingency (M)	\$1 9,860,000
Contingency & Reserves (M)	\$1 3,890,000
Fuel & AC Reserves (M)	\$5,250,000
Total (M)	\$39,000,000

Project	Supplement Budget	Supplemental Agreement Total	% Spent	Amount Remaining	% Remaining
R-2721 A	\$1 2,829,200	\$1 ,844,597	<div><div></div></div> 14%	\$1 0,984,603	<div><div></div></div> 86%
R-2721 B	\$1 2,527,400	\$5,047,621	<div><div></div></div> 40%	\$7,479,779	<div><div></div></div> 60%
R-2828	\$28,470,600	\$5,273,599	<div><div></div></div> 19%	\$23,1 97,001	<div><div></div></div> 81 %
Total	\$53,827,200	\$1 2,1 65,81 7	<div><div></div></div> 23%	\$41 ,661 ,383	<div><div></div></div> 77%

# Quarterly Cash Flow

## Actual & Anticipated Expenditures For Construction of R-2721A, R-2721B and R-2828

*Actuals*

	DESCRIPTION\YEAR	Cost Estimate (\$M)	As of	Jan-Mar 21	Apr-Jun 21	Jul-Sept 21	Oct-Dec 21	Jan-Mar 22	Apr-Jun 22	Jul-Sept 22	Oct-Dec 22	Jan-Mar 23	Apr-Jun 23	FY24
			December 31, 2020	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	
R-2721A	Construction	\$185.57	\$64.23	\$12.55	\$12.67	\$12.63	\$12.84	\$12.23	\$12.84	\$12.63	\$32.95	\$0.00	\$0.00	\$0.00
	Toll Integration	\$3.96	\$0.00	\$0.16	\$0.24	\$0.18	\$0.18	\$0.36	\$0.48	\$0.83	\$0.83	\$0.48	\$0.22	\$0.00
	Landscaping	\$2.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1.34	\$1.33	\$0.00	\$0.00
	Right of Way	\$91.19	\$73.63	\$5.48	\$5.48	\$1.82	\$1.82	\$1.82	\$1.14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Utilities	\$18.41	\$10.63	\$3.68	\$3.38	\$0.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Agency Costs:	\$38.96	\$5.39	\$1.87	\$2.27	\$2.39	\$2.27	\$2.41	\$2.60	\$2.76	\$2.52	\$2.52	\$7.48	\$4.48
	PROJECT SUB-TOTAL	\$340.76	\$153.88	\$23.74	\$24.04	\$17.74	\$17.11	\$16.82	\$17.06	\$16.22	\$37.64	\$4.33	\$7.70	\$4.48
R-2721B	Construction	\$162.71	\$51.86	\$7.41	\$9.34	\$11.70	\$22.99	\$7.30	\$19.41	\$4.91	\$27.80	\$0.00	\$0.00	\$0.00
	Toll Integration	\$6.98	\$0.00	\$0.28	\$0.42	\$0.31	\$0.31	\$0.63	\$0.84	\$1.47	\$1.47	\$0.84	\$0.41	\$0.00
	Landscaping	\$2.32	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1.16	\$1.16	\$0.00	\$0.00
	Right of Way	\$90.56	\$77.25	\$2.72	\$2.72	\$2.26	\$2.26	\$2.72	\$0.63	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Utilities	\$16.55	\$10.32	\$3.31	\$2.77	\$0.15	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Agency Costs:	\$42.98	\$5.25	\$1.74	\$2.10	\$2.21	\$2.10	\$2.22	\$2.32	\$2.59	\$2.38	\$2.31	\$5.64	\$12.12
	PROJECT SUB-TOTAL	\$322.10	\$144.68	\$15.46	\$17.35	\$16.63	\$27.66	\$12.86	\$23.20	\$8.97	\$32.81	\$4.31	\$6.05	\$12.12
R-2828	Construction	\$385.87	\$104.26	\$21.95	\$22.77	\$31.10	\$33.76	\$25.94	\$30.45	\$40.28	\$19.47	\$12.85	\$43.04	\$0.00
	Toll Integration	\$10.30	\$0.00	\$0.46	\$0.52	\$0.26	\$0.26	\$1.03	\$1.03	\$2.06	\$3.35	\$0.67	\$0.67	\$0.00
	Landscaping	\$5.84	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2.92	\$2.92	\$0.00	\$0.00
	Right of Way	\$77.62	\$38.33	\$9.31	\$7.76	\$5.82	\$5.82	\$3.49	\$3.49	\$2.33	\$1.26	\$0.00	\$0.00	\$0.00
	Utilities	\$48.35	\$6.39	\$24.17	\$9.37	\$8.42	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Agency Costs:	\$104.61	\$11.31	\$5.17	\$5.78	\$6.04	\$6.72	\$5.98	\$6.24	\$6.59	\$6.07	\$7.57	\$7.63	\$29.51
	PROJECT SUB-TOTAL	\$632.59	\$160.29	\$61.07	\$46.20	\$51.64	\$46.56	\$36.44	\$41.22	\$51.26	\$33.07	\$24.01	\$51.34	\$29.51
PROJECT COST FOR FINANCING		\$1,295.44	\$458.85	\$100.27	\$87.58	\$86.01	\$91.33	\$66.12	\$81.48	\$76.44	\$103.51	\$32.65	\$65.09	\$46.11

Note: Totals may not sum due to rounding.

# Complete 540 TIFIA Interest Rate Reset

**David Roy**

Director of Finance & Budget

**David Miller**

PFM Financial Advisors



## Complete 540 Phase 1 TIFIA Loan – Rate Reset

- ◆ On December 17, 2019, the Authority completed the initial financing for the Complete 540 Phase 1 project
- ◆ One component of the financing was a Federal TIFIA Loan between USDOT and NCTA, in an amount not to exceed \$499,461,980 at an interest rate of 2.27%
- ◆ On October 29, 2020, the Authority issued TIFIA Bond Anticipation Notes Series 2020. The TIFIA Loan will be drawn in full at the maturity of the BANs
- ◆ Due to the ongoing COVID-19 Pandemic, USDOT is allowing undrawn TIFIA Loans to undergo a rate reset to current interest rates, which are near historic lows
- ◆ In October of 2020, the Authority submitted a Letter of Interest to USDOT for an interest rate reset on the Phase 1 TIFIA Loan





## TIFIA Rate Reset Benefits

- Based on the TIFIA Rate as of January 13, 2021 (1.86%), a rate reset on the TIFIA Loan would provide PV cash flow benefits of \$37.9 million
  - Markets have been volatile and are subject to change on a daily basis
- The rate reset would reduce the maximum balance on the TIFIA loan by \$5.6 million, due to reduced interest accrual prior to payment of debt service
- Total debt service on the TIFIA Loan would decrease by \$54.7 million

	Base Case	Rate Reset	Reduction
Max TIFIA Balance	529,918,083	524,301,570	5,616,512
Total Debt Service	789,762,698	735,037,213	54,725,485

	Base Case			Refinanced TIFIA		
FY	TIFIA DS	TIFIA DSRF	PV	TIFIA DS	TIFIA DSRF	PV
2021						
2022						
2023						
2024		29,435,737	27,518,418		29,435,737	27,518,418
2025						
2026	5,875,324	479,517	5,709,673	4,783,269		4,299,480
2027	6,927,249	705,347	6,700,025	5,627,768		4,942,359
2028	9,085,411	708,437	8,408,220	7,370,008		6,329,577
2029	12,526,326	665,742	11,082,555	10,249,703	449,937	8,989,106
2030	12,514,976	563,340	10,743,588	10,240,403	588,743	8,895,370
2031	12,503,626	604,086	10,528,570	10,231,103	631,211	8,724,397
2032	12,492,268	649,358	10,321,428	10,221,797	678,398	8,560,388
2033	12,480,926	699,855	10,122,049	10,212,503	731,030	8,403,328
2034	12,469,576	756,410	9,931,108	10,203,203	789,977	8,253,859
2035	12,458,226	820,036	9,748,817	10,193,903	856,293	8,112,266
2036	12,944,046	891,960	9,932,798	10,682,285	931,259	8,336,562
2037	12,921,362	945,444	9,733,602	10,663,697	988,169	8,178,090
2038	12,898,662	1,036,837	9,564,377	10,645,097	1,083,387	8,048,816
2039	12,875,962	1,141,939	9,407,021	10,626,497	1,192,888	7,930,787
2040	12,853,246	1,263,636	9,262,868	10,607,885	1,319,679	7,825,401
2041	30,940,038	1,405,618	20,692,579	28,696,719	1,467,603	19,292,151
2042	48,946,601	241,074	30,870,756	46,720,674	310,201	29,516,845
2043	48,946,601	(1,135,555)	29,345,431	46,720,674	(1,059,146)	28,026,015
2044	48,946,601	(1,286,962)	28,604,561	46,720,674	(1,200,365)	27,320,472
2045	48,946,601	(1,470,814)	27,861,507	46,720,674	(1,371,846)	26,613,179
2046	48,946,601	(1,697,093)	27,114,007	46,720,674	(1,582,899)	25,902,072
2047	48,946,601	(1,979,942)	26,354,403	46,720,674	(1,846,715)	25,179,985
2048	48,946,601	(2,339,931)	25,573,839	46,720,674	(2,182,482)	24,438,667
2049	48,946,601	(2,807,918)	24,755,786	46,720,674	(2,618,978)	23,662,643
2050	22,755,607	(3,431,899)	10,144,620	22,354,821	(3,200,973)	10,054,861
2051	22,755,607	(197,531)	11,568,892	22,354,821	(194,052)	11,365,133
2052	22,755,607	(253,969)	11,284,296	22,354,821	(249,496)	11,085,549
2053	22,755,607	(338,625)	10,992,213	22,354,821	(332,661)	10,798,611
2054	22,755,607	(474,075)	10,683,656	22,354,821	(465,725)	10,495,489
2055	22,755,607	(711,113)	10,336,024	22,354,821	(698,588)	10,153,979
2056	22,755,607	(1,185,188)	9,890,811	22,354,821	(1,164,314)	9,716,608
2057	22,755,607	(2,370,376)	9,142,708	22,354,821	(2,328,627)	8,981,681
2058	11,377,804	(21,333,382)	(4,387,384)	11,177,410	(20,957,645)	(4,310,110)
Total	789,762,698		489,543,822	735,037,213		451,642,035

PV Change of Cash Flows	37,901,787
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## Estimated Costs of Issuance

- Below is a high-level estimate of Costs of Issuance for the rate reset

Cost of Issuance	Amount (\$)
TIFIA Advisors*	300,000
NCTA Advisors**	175,000
Ratings	200,000
Miscellaneous	75,000
Total	750,000

\*Includes T&R Consultant, Financial Advisor, and Counsel

\*\*Includes Financial Advisor and Counsel

# Amendment to 2019 TIFIA Loan Agreement

Mary Nash Rusher  
McGuireWoods



## Proposed amendment to Triangle Expressway System TIFIA Loan Agreement

- US DOT has offered to reduce the interest rate applicable to the TIFIA Loan Agreement and the related TIFIA Bond from its current rate of 2.27%
- New rate will be calculated as the U.S. Treasury rate at the time of closing plus .01%; that rate as of 1/13/2021 would be 1.86%.

# Amendment Documents

## TIFIA Loan Agreement

- USDOT requires a new TIFIA Loan Agreement (2021) but the terms will be identical to the terms of the 2019 TIFIA Loan Agreement except for the change in rate.
- TIFIA Series 2019 Bond issued under the Fourth Supplemental Trust Agreement; interest rate in the TIFIA Series 2019 Bond cross references the TIFIA Loan Agreement; may need amendment to the Fourth Supplemental Trust Agreement to update the reference to the TIFIA Loan Agreement
- LGC approval covers a not-to-exceed rate that is higher than the new rate so approval should not be required but may need to be on the “miscellaneous information” agenda



# Amendment Resolutions

- Finance Committee Resolution
  - Makes recommendation to the Board
- Board Resolution
  - Approves 2021 TIFIA Loan Agreement
  - Approves amendment to Fourth Supplemental Trust Agreement
  - Authorizes informing LGC
  - The interest rate to be in effect following the execution of the 2021 TIFIA Loan Agreement shall be at least five bps (0.05%) lower than the interest rate currently in effect

# NCTA Refunding Savings

**David Roy**

Director of Finance & Budget



# Refunding Savings

## Triangle Expressway & Monroe Expressway

Transaction	Closing	Refunding Series (Maturities)	NPV Savings (\$)	NPV Savings (%)*
\$200,515,000 Triangle Expressway System Turnpike Revenue Refunding Bonds, Series 2017	March 30, 2017	Series 2009A (2020-2039)	\$32,153,069	13.72%
\$150,125,000 Triangle Expressway System Appropriation Revenue Refunding Bonds, Series 2018A	May 10, 2018	Series 2009B (2033-2039)	\$10,933,562	7.25%
\$161,759,000 Triangle Expressway System Appropriation Revenue Refunding Bonds, Series 2018B	December 31, 2018	Series 2009B (2022-2032)	\$18,854,944	11.67%
\$401,155,000 Triangle Expressway System Senior Lien Turnpike Revenue Refunding Bonds, Series 2018	December 12, 2018	2009 TIFIA Loan	\$10,245,388	2.38%
\$499,460,000 Triangle Expressway System Senior Lien Turnpike Revenue Bond Anticipation Notes, Series 2020	October 29, 2020	Paid off with Proceeds from the 2019 TIFIA Loan	\$12,471,142	2.50%
\$73,985,000 Monroe Expressway System State Appropriation Revenue Refunding Bonds, Series 2021 (Forward Delivery)	Preliminary Closing: December 8, 2020	Series 2011 (2022-2041)	\$29,273,595	30.81%
<b>Total</b>			<b>\$113,931,700</b>	

\*NPV Savings (%) is calculated based on the refunded par amount

# Contact Us



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**Thank you!**